

- a) storage of future index data I_i , where $i = 1, 2, \dots, x, \dots$, in the at least one memory, each future index I_i being defined as the anticipated factor by which, in a year i , goods will have become more expensive as a consequence of inflation, compared with a predetermined start year;
- b) storage of future interest rates int_i , where $i = 1, 2, \dots, x, \dots$, in the at least one memory, each interest rate int_i being defined as the interest to be anticipated in year i ;
- c) receipt of a desired coupon value CV from a user, said coupon value being a value of money, for which a user wants to be covered against future inflation;
- d) calculation of at least one ~~inflation correction~~ future annual inflation value inf_i , where $i = 1, 2, \dots, x, \dots$, for the coupon value CV in year i making use of the coupon value CV and of the future index data I_i ;
- e) calculation of a cash value of the at least one ~~inflation correction~~ future annual inflation value inf_i for the coupon value CV in year i making use of the coupon value CV , the future index data I_i and the interest rates int_i ;
- f) presentation of a purchase price to the user at which the at least one ~~inflation correction~~ future annual inflation value inf_i for the coupon value CV , or a portion thereof, can be purchased.

2. (currently amended) Installation according to claim 1, wherein the processor is equipped to:

- calculate, in step (d), a cumulative inflation ~~correction~~ cover value CAP_i for the coupon value CV from the start year to year i ;
- calculate, in step (e), a cumulative cash value P_i of the cumulative inflation ~~correction~~ cover value CAP_i for the coupon value CV from the start year to year i ;
- to present to the user, in step (f), the purchase price at which the cumulative inflation ~~correction~~ cover value CAP_i for the coupon value CV can be purchased.

3. (currently amended) Installation according to claim 1, wherein the processor is equipped to:

- calculate a future index I_x in a year x as follows:

$$I_x = \prod_{i=1}^x (1 + \text{inf}_i)$$

- calculate the cumulative inflation ~~correction~~ cover value CAP_x in year x as follows:

$$CAP_x = CV \cdot \sum_{i=1}^x (I_i - 1)$$

- calculate the cumulative cash value P_x in year x as follows:

$$P_x = CV \cdot \sum_{i=1}^x \frac{(I_i - 1)}{(1 + \text{int}_i)^i}$$

4. (previously presented) Installation according to Claim 1, wherein calculation of the purchase price also takes account of at least one of the following parameters: risk of property standing empty and expected inflation elsewhere.
5. (currently amended) Installation according to Claim 1, wherein the future index data are determined on the basis of at least one ~~parameter~~ price index total from the following series:
 - all households;
 - all households derived;
 - employees, low;
 - employees, low derived;
 - employees, high;
 - employees, high derived.
6. (previously presented) Installation according to Claim 1, wherein the purchase price is offered to the user in the form of an inflation coupon by means of which cover against inflation is obtained in at least one of the following regions: Europe, the UK, the USA and Japan.
7. (previously presented) Installation according to Claim 1, wherein the currency of the coupon value for a territory provides cover against inflation in that territory.

8. (previously presented) Installation according to Claim 1, wherein the currency of the coupon value for a territory provides cover against inflation in another territory.

9. (previously presented) Installation according to Claim 1, wherein data relating to at least one of the following groups of data are stored in the at least one memory:

- user profiles;
- outstanding purchase orders and orders for sale;
- active orders;
- log of purchase orders, orders for sale and lapsed orders;
- log of user activities.

10. (previously presented) Installation according to Claim 1, wherein the installation is a computer installation with which other computer set-ups are able to communicate via a telecommunications system.

11. (previously presented) Installation according to claim 10, wherein the telecommunication system is the Internet.

12. (currently amended) Method for supporting a financial transaction with the aid of an installation comprising at least one memory and a processor connected thereto, the method comprising the following steps on the installation:

- a) storage of future index data I_i , where $i = 1, 2, \dots, x, \dots$, in the at least one memory, each future index I_i being defined as the anticipated factor by which, in a year i , goods will have become more expensive as a consequence of inflation, compared with a predetermined start year;
- b) storage of future interest rates int_i , where $i = 1, 2, \dots, x, \dots$, in the at least one memory, each interest rate int_i being defined as the interest to be anticipated in year i ;
- c) receipt of a desired coupon value CV from a user, said coupon value being a value of money, for which a user wants to be covered against future inflation;

- d) calculation of at least one ~~inflation correction~~ future annual inflation value \inf_i , where $i = 1, 2, \dots, x, \dots$, for the coupon value CV in year i making use of the coupon value CV and of the future index data I_i ;
- e) calculation of a cash value of the at least one ~~inflation correction~~ future annual inflation value \inf_i for the coupon value CV in year i making use of the coupon value CV, the future index data I_i and the interest rates int_i ;
- f) presentation of a purchase price to the user at which the at least one ~~inflation correction~~ future annual inflation value \inf_i for the coupon value CV, or a portion thereof, can be purchased.

13. (currently amended) Method according to claim 12, wherein the method performs the following steps:

- calculation, in step (d), of a cumulative inflation ~~correction~~ cover value CAP_i for the coupon value CV from the start year to year i;
- calculation, in step (e), of a cumulative cash value P_i of the cumulative inflation ~~correction~~ cover value CAP_i for the coupon value CV from the start year to year i;
- ~~to presentation~~ to the user, in step (f), of the purchase price at which the cumulative inflation ~~correction~~ cover value CAP_i for the coupon value CV can be purchased.

14. (currently amended) Method according to claim 12, comprising the following steps:

- calculation of a future index I_x in a year x as follows:

$$I_x = \prod_{i=1}^x (1 + \inf_i)$$

- calculation of the cumulative inflation ~~correction~~ cover value CAP_x in year x as follows:

$$\text{CAP}_x = \text{CV} \cdot \sum_{i=1}^x (I_i - 1)$$

- calculation of the cumulative cash value P_x in year x as follows:

$$P_x = \text{CV} \cdot \sum_{i=1}^x \frac{(I_i - 1)}{(1 + \text{int}_i)^i}$$

15. (previously presented) Method according to Claim 12, wherein calculation of the purchase price also takes account of at least one of the following parameters: risk of property standing empty and expected inflation elsewhere.

16. (currently amended) Method according to Claim 12, wherein the future index data are determined on the basis of at least one ~~parameter~~ price index total from the following series:

- all households;
- all households derived;
- employees, low;
- employees, low derived;
- employees, high;
- employees, high derived.

17. (previously presented) Method according to Claim 12, wherein the purchase price is offered to the user in the form of an inflation coupon by means of which cover against inflation is obtained in at least one of the following regions: Europe, the UK, the USA and Japan.

18. (previously presented) Method according to Claim 12, wherein the currency of the coupon value for a territory provides cover against inflation in that territory.

19. (previously presented) Method according to Claim 12, wherein the currency of the coupon value for a territory provides cover against inflation in another territory.

20. (previously presented) Method according to Claim 12, wherein data relating to at least one of the following groups of data are stored in the at least one memory:

- user profiles;
- outstanding purchase orders and orders for sale;
- active orders;
- log of purchase orders, orders for sale and lapsed orders;

- log of user activities.

21. (previously presented) Method according to Claim 12, wherein the installation is a computer installation with which other computer set-ups are able to communicate via a telecommunications system.

22. (previously presented) Method according to Claim 12, wherein the telecommunications system is the Internet.

23. (currently amended) Computer program product that can be loaded on a computer installation for supporting a financial transaction, which computer installation comprises at least one memory and a processor connected thereto, which processor can perform the following steps after the computer program product has been loaded:

- a) storage of future index data I_i , where $i = 1, 2, \dots, x, \dots$, in the at least one memory, each future index I_i being defined as the anticipated factor by which, in a year i , goods will have become more expensive as a consequence of inflation, compared with a predetermined start year;
- b) storage of future interest rates int_i , where $i = 1, 2, \dots, x, \dots$, in the at least one memory, each interest rate int_i being defined as the interest to be anticipated in year i ;
- c) receipt of a desired coupon value CV from a user, said coupon value being a value of money, for which a user wants to be covered against future inflation;
- d) calculation of at least one ~~inflation-correction~~ future annual inflation value inf_i , where $i = 1, 2, \dots, x, \dots$, for the coupon value CV in year i making use of the coupon value CV and of the future index data I_i ;
- e) calculation of a cash value of the at least one ~~inflation-correction~~ future annual inflation value inf_i for the coupon value CV in year i making use of the coupon value CV, the future index data I_i and the interest rates int_i ;
- f) presentation of a purchase price to the user at which the at least one ~~inflation-correction~~ future annual inflation value inf_i for the coupon value CV, or a portion thereof, can be purchased.

24. (previously presented) Data carrier provided with a computer program product according to claim 23.

25. (currently amended) Method for performing a financial service comprising the following steps:

- a) calculation of at least one ~~inflation-correction~~ future annual inflation value for a desired coupon value CV in a year i, making use of the coupon value CV and of future index data I_i , each future index data being defines as the anticipated factor by which in a year i, goods will have become more expensive as a consequence of inflation, compared with a predetermined start year;
- b) calculation of a cash value of the at least one ~~inflation-correction~~ future annual inflation value for the coupon value CV in year i making use of the coupon value CV, the future index data I_i and the interest rates int_i , each interest rate int_i being defined as the interest to be anticipated in year i;
- c) presentation of a purchase price to a purchaser at which the at least one ~~inflation correction~~ future annual inflation value for the coupon value CV, or a portion thereof, can be purchased.

Claim Rejections – 35 U.S.C. §103 Unpatentability

Claims 1-24 were rejected under 35 U.S.C. §103(a) as being unpatentable over Shepherd (U.S. 5,970,479). Shepherd discloses methods and apparatus which deal with the management of risk relating to specified, yet unknown, future events. According to column 1 lines 27-30 “phenomena that constitute economic risk include . . . inflation rates . . .” The invention described in Shephard enables “the formulation of customized multi-party risk management contracts having a future time of maturity” (claim 1). The

Office Action lists the following as the reasons for rejecting the present application as unpatentable over Shepherd:

1. Shepherd does not explicitly teach compared with a predetermined start year. Official notice is taken that this feature of benchmarking to a reference year is old and well known in the finance art. It would have been obvious to one of ordinary skill in the art at the time of applicant's invention to implement this feature for the advantage of comparing rates of return over time frames with a common reference or benchmark point of the time line. (Claims 1, 12)

2. Shepherd does not explicitly disclose the determination on the basis of at least one parameter from the following series:

-all households,

-all households derived,

-employees, low,

-employees, low derived,

-employees, high,

-employees, high derived. Official notice is taken that this feature of

introducing economic variables as stated is old well known in the finance art. It would have been obvious to one of ordinary skill in the art at the time of applicant's invention to implement this feature for the advantage of having a robust economic model. (Claim 5)

3. The Office Action also appends to various of applicant's claim elements what Applicant assumes are citations to column and line numbers of Shepherd. Applicant assumes that by doing so the Office Action is citing such portions of Shepherd as evidence of obviousness.

Applicant has amended claims 1, 2, 3, 5, 12, 13, 14, 16, and 23 to explain more clearly the differences between applicant's invention and Shepherd. The basis for most changes can be found on page 20, lines 12 through 29 of the application. The basis for the amendments to claims 5 and 16 can be found on page 24, beginning at line 16 of the application.

In Shepherd, the concept of inflation and inflation rate is used as a risk factor, which can vary over time. Parties can estimate the future "moves" of inflation, and a financial contract may be established based on the different estimates between the parties according to the methods and apparatus there disclosed. The concept of inflation itself, however, differs from the other mentioned variables in the sense that it is, to a certain extent, predictable. For instance, inflation is known to have a positive value and varies gradually over time. This predictability enables parties to include an inflation index, as is commonly done in lease contracts and as applied to rents for offices, shops, and other commercial property.

The precise rate at which the value of money devaluates is less predictable, however. This variable aspect of the inflation rate enables Shepherd to use the inflation rate as one of the variables that may be used in its disclosed methods and apparatus. What Shepherd does not teach is trading in inflation itself; i.e., Shepherd does not teach using inflation as an asset that can be converted into liquid funds, as is the case with the present invention.

In fact, the invention disclosed in Shepherd tries to minimize the risk, i.e. “. . . to avoid the adverse consequences of ” a change in a specified index (Col. 21, l. 37-38), thus teaching away from the idea of creating more liquid funds that may be used for speculative purposes, as is proposed in the present invention and as reflected by a feature such as cash value, expressed in claim 1. Moreover, the idea of considering inflation as an asset, as something that one can trade in, is an extremely unusual concept by itself. Amended claim 1, which discloses an installation for supporting a financial transaction wherein a user can cover a desired amount of money against future inflation, is therefore not only new, but also inventive over Shepherd.

As noted, the Office Action takes official notice regarding the feature of benchmarking to a reference year. It is certainly well-known in the finance art to use the feature of benchmarking to a reference year; this is implied by applicant at page 3, lines 3-4 of the specification. And of course the present invention originates from the idea of performing better than this “benchmark.” The present invention departs from the benchmark concept, however, since some investments will be based on profits without

inflation, while others, due to the use of the present invention, also create additional value by investing in inflation itself. The use of a reference year in the present invention is thus limited to calculating the value of a contract.

Claims 2 and 3 depend from amended claim 1. Since amended claim 1 is considered to be new and inventive, so are claims 2 and 3.

The parameters that are disclosed in claim 4 are not mentioned in Shepherd. Furthermore, since claim 4 is dependent on amended claim 1, it is considered to be new and inventive over Shepherd.

Amended claim 5 defines the same parameters as original claim 5, with changes made only to enhance the clarity of the claim. With respect to the Office Action's official notice regarding the introduction of economic variables, applicant notes that it is well known to introduce economic variables in a method such as the one disclosed in this application. These parameters, however, represent possible categories of customers, with each category realizing its own embodiment of the present invention. They are not implemented for purposes of creating a robust economic model; indeed, the robust economic model already exists. The parameters only extend the number of options that the model can describe. As a result, introducing these parameters is not well-known or old in the finance art. Again, because claim 5 is dependent on amended claim 1, it is new and inventive over Shepherd.

Claims 6-11 are dependent claims that depend on amended claim 1, and are thus considered to be new and inventive over Shepherd.

The reasoning regarding claims 12 through 24 is the same, as the reasoning set forth above with respect to claims 1 through 11. Implementing the same clarifying amendments, these claims are likewise new and inventive over Shepherd.

Claim Rejections – 35 U.S.C. §101- Lack of Utility

Claim 25 was rejected under 35 U.S.C. §101 on the ground that the claimed invention was not supported by either an asserted utility or a well-established utility; that the claim lacks a “useful, tangible and concrete technological medium;” that it is “an algorithm without a technological medium of implementation.”

Applicant respectfully does not understand the objection because it appears to lack a statutory basis. Teaching the reduction of the invention to practice is a function of the specification and not the claims. In order to advance the prosecution of the application, however, Applicant has understood the rejection under 35 U.S.C. §101 to be based upon an alleged lack of useful concrete and tangible *result* in the practical implementation of the claimed invention. Should this be an incorrect understanding of the Office’s intent, the Office is respectfully requested to reformulate the rejection in a nonfinal action.

Thus, as best understood by Applicant, the Office’s rejection relies indirectly upon cases finding in favor of patentability where the courts found that the practical

application of an abstract idea produced a useful, concrete, and tangible result, satisfying the elements of 35 U.S.C. §101. *In re Alappat*, 31 USPQ 2d 1545, 1558 (Fed. Cir. 1994); *State Street Bank & Trust Co. v. Signature Financial Group, Inc.*, 47 USPQ 2d 1596, 1601-02 (Fed. Cir. 1998).

Claim 25 is directed to a method for performing a financial service comprising the following steps:

- a) calculation of at least one ~~inflation correction~~ future annual inflation value for a desired coupon value CV in a year i, making use of the coupon value CV and of future index data I_i , each future index data being defines as the anticipated factor by which in a year i, goods will have become more expensive as a consequence of inflation, compared with a predetermined start year;
- b) calculation of a cash value of the at least one ~~inflation correction~~ future annual inflation value for the coupon value CV in year i making use of the coupon value CV, the future index data I_i and the interest rates int_i , each interest rate int_i being defined as the interest to be anticipated in year i;
- c) presentation of a purchase price to a purchaser at which the at least one ~~inflation correction~~ future annual inflation value for the coupon value CV, or a portion thereof, can be purchased.

Turning to the test for patentability under 35 U.S.C. §101 and the requirement identified above that the claimed invention produce a “useful, concrete and tangible result,” presentation to a purchaser of a purchase price at which a future annual inflation value can be purchased is clearly a specific, substantial, and credible utility, such that claim 25 satisfies the “useful” requirement.

With regard to the “concrete” requirement, there is no question that the result produced by the invention claimed in claim 25 – the presentation of a purchase price for

at least one inflation correction value to a purchaser – achieves a concrete result. Indeed, the specification provides extensive teachings of the practice of the invention; see page 19, line 20 through page 22, line 12. Accordingly, the advantageous result of the invention of claim 25 is clearly concrete.

As for the “tangible” requirement, the presentation of a calculated purchase price for a future annual inflation value to a purchaser is not simply a mathematical construct. There is no disembodied data structure, nor is there mere manipulation of an abstract idea. Claim 25 defines the relationship between the calculations performed as described therein, the result of those calculations, and the presentation of those results to a purchaser. Clearly, the presentation to the purchaser is the tangible result that flows from the described calculation.

In view of the above amendments and the discussion relating thereto, as well as the discussion concerning Shepherd, and 35 U.S.C. §101, it is respectfully submitted that the instant application, as amended, is in a condition for allowance. Such action is most earnestly solicited. If for any reason the Examiner feels that consultation with Applicant’s representative would be helpful in the advancement of the prosecution, they are invited to call the telephone number below for an interview.

Respectfully submitted,

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